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Office of Enforcement
Compliance & Environmental Justice

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January 12, 2018

U.S. EPA Region 8
Director, Air & Toxics Technical Enforcement Program
Office of Environmental Compliance and Environmental Justice
Mail Code 8ENF-AT
1595 Wynkoop Street
Denver, CO 80202

RE: Annual Title 40 Code of Federal Regulations (CFR) Part 60 - Subpart OOOO – New Source Performance Standards for Crude Oil and Natural Gas Production, Transmission and Distribution Report (NSPS OOOO)
Black Hills Exploration and Production (BHEP)

To Whom It May Concern:

In accordance with NSPS OOOO section §60.5420 and NSPS OOOOa section §60.5420a Black Hills Exploration and Production, LLC (Black Hills) is providing this letter in place of an annual report.

NSPS OOOOa 60.5365a(e) states: "Each storage vessel affected facility, which is a single storage vessel with the potential for VOC emissions equal to or greater than 6 tpy as determined according to this section. The potential for VOC emissions must be calculated using a generally accepted model or calculation methodology, based on the maximum average daily throughput determined for a 30-day period of production prior to the applicable emission determination deadline specified in this subsection. The determination may take into account requirements under a legally and practically enforceable limit in an operating permit or other requirement established under a federal, state, local or tribal authority."

Through 2016, Black Hills reported a number of facilities unnecessarily. All of Black Hills affected facilities are storage vessel affected facilities that under Colorado APCD Regulation 7 have emission control installed prior to the date of first production. Black Hills also obtains GP-08 general permits for all of its storage vessel affected facilities which limits actual emissions from the facility to <5.9 tons.

Please note the following:

- Black Hills did not drill or complete any new well production facilities in 2016. Two wells drilled in 2015 were completed in 2017 – the HDU 7-23 AH and AH wells. At this facility, Black Hills installed combustion emissions control designed by a licensed engineer prior to the date of first production as required by CO APCD Reg. 7. Black Hills has also applied for coverage under APCD general permit GP-08 in accordance with APCD Reg. 3.

All other facilities that were previously included in this report are storage vessel affected facilities. These facilities were completed in 2014 and 2015. All are either permitted (APCD GP-08) with emissions limited to <5.9 tons VOCs; or no longer have the potential to emit 2 or more tons VOCs or any regulated pollutant above reporting thresholds. All facilities are in attainment areas.

Black Hills uses CDPHE's State-Approved Emission Factors found in CDPHE PS Memo 09-02 (2/8/2010) and/or Oil and Gas Exploration and Production (E&P) Regulation No. 7 Requirements - An Overview of Air Quality Regulations: Oil and Gas Fact Sheet Table 1: State Emission Factors for E&P Condensate Tanks (12/2011). For Mesa and Garfield Counties, produced water and condensate emission factors are 0.178 and 10.0 lbs VOC emitted/bbl throughput, respectively.

Gas Well Affected Facilities:

- Wells previously reported include:

05-045-21935	Homer Deep Unit 9-41 AH	Under 2 tons uncontrolled emissions, Black Hills terminated GP-08 permit
05-045-21934	Homer Deep Unit 9-41 BH	Under 2 tons uncontrolled emissions, Black Hills has terminated its GP-08 permit
05-054-22488	Homer Deep Unit 9-41 CH	Under 2 tons uncontrolled emissions, Black Hills has terminated its GP-08 permit
05-045-21932	Homer Deep Unit 9-11 AH	Under 2 tons uncontrolled emissions, Black Hills has terminated its GP-08 permit
05-045-21933	Homer Deep Unit 9-11 BH	Under 2 tons uncontrolled emissions, Black Hills has terminated its GP-08 permit
05-045-22489	Homer Deep Unit 9-11 CH	Under 2 tons uncontrolled emissions, Black Hills has terminated its GP-08 permit
077-0594-001	Whittaker Flats DHS1C-19 D-17 998	GP-08 #345720 Produced Water
077-0594-001	Whittaker Flats DHS3C-19 D-17 998	GP-08 #345720 Produced Water
077-0594-001	Whittaker Flats DHS3C-20 D-17 998	GP-08 #345720 Produced Water
077-0594-001	Whittaker Flats DHS5C-20 D-17 998	GP-08 #345720 Produced Water
077-0594-001	Whittaker Flats DHS7C-20 D-17 998	GP-08 #345720 Produced Water
077-0594-002	Whittaker Flats DHS1C-19 D-17 998	GP-08 #345720 Condensate
077-0594-002	Whittaker Flats DHS3C-19 D-17 998	GP-08 #345720 Condensate
077-0594-002	Whittaker Flats DHS3C-20 D-17 998	GP-08 #345720 Condensate
077-0594-002	Whittaker Flats DHS5C-20 D-17 998	GP-08 #345720 Condensate
077-0594-002	Whittaker Flats DHS7C-20 D-17 998	GP-08 #345720 Condensate
077-0604-001	HSC 15-3 SWD Storage Vessel	GP-08 #339515 Produced Water
077-0604-002	HSC 15-3 SWD Storage Vessel	GP-08 #349789 Slop Oil

- Black Hills storage vessels that were previously reported are/were permitted under CDPHE's general permit system under APCD Reg. 3 and were issued GP-08 general permits. General Permit GP-08 specifically limits emissions to below 5.9 tons. Second, a number of affected facilities had their potential to emit VOCs drop below the 2 ton notification threshold set by Colorado APCD Reg 3. When this occurred, Black Hills terminated the GP-08 permit. Additionally, well production facilities were operated in compliance with Colorado APCD Reg. 7 during the entirety of 2017.

- Wells completed in 2017, drilled in 2015:

05-045-22423	Homer Deep Unit 7-23 AH	Green completion, pollution control in place prior to date of first production, GP-08
05-045-22423	Homer Deep Unit 7-23 AH	
05-045-22810	Homer Deep Unit 7-23 BH	

05-045-22810	Homer Deep Unit 7-23 BH	Produced Water application submitted 10/16/2017
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- Please note that Black Hills Exploration and Production does not operate any affected equipment that would be reported in the following categories and has no venting, exemptions, deviations, excess emissions or inspections to report:
 - Reciprocating Compressor Affected Facilities;
 - Centrifugal Reciprocating Compressor Affected Facilities;
 - Pneumatic Affected Facilities; and
 - Venting at Gas Well Affected Facilities
 - Exemptions
 - Deviations and Excess Emissions
 - Inspections

Black Hills' LDAR program was fully compliant with Colorado APCD Reg. 7 and BLM Waste Rule LDAR requirements for all Colorado facilities.

Please call me at (303) 566-3446 if you have any questions concerning this letter.

Sincerely,

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Joe E. Jenkins

Enclosures – Black Hills NSPS OOOO Annual Report

cc: Colorado Department of Public Health and Environment
Via Email CDPHE.NSPSOOOO@state.co.us